

United States Department of Agriculture



Natural Resources Conservation Service
P.O. Box 2890
Washington, D.C. 20013

SUBJECT: LTP – Progress Review and Revision or
Modification of Active EQIP Contracts

June 9, 2004

TO: State Conservationists
Directors, Caribbean and Pacific Basin Areas

File Code: 300

Action required by August 1, 2004

The Office of Inspector General (OIG) audit survey of the Environmental Quality Incentives Program (EQIP) found that, in many cases, Farm Service Agency's System 36 still shows contract funds as obligated for past years. These obligations have not been rescheduled to current and future years. To correct this problem the Natural Resources Conservation Service (NRCS) will need to take action. It is recognized that field office staff are very busy, but it is essential that this issue be addressed in a timely manner.

As soon as possible, NRCS will review the progress on all active EQIP contracts that have cost-share or incentive payments yet to be paid. By August 1, 2004, following 440-CPM-515.113, NRCS will conduct status reviews on all active EQIP contracts, fiscal years 1997-2003, if the schedule of operations is not being followed or if all required contract provisions are not being met. Every effort must be made to conduct these reviews concurrent with ongoing activities in order to minimize added workload.

By August 1, 2004, as applicable, the designated conservationist will:

- Terminate the contract according to the EQIP Manual, section 515.115. Notify FSA, in writing, of the termination, effective date, and whether refunds and/or liquidated damages are required. If several contracts are terminated this information may be communicated by one notice including a list or table.
- Reschedule practices by making pen and ink changes and initialing the changes. If applicable, extend the contract expiration date by making a pen and ink change on the CCC-1200 and initial and date the change. Provide FSA and the participant(s) with copies of the revised practice schedule and/or CCC-1200.

If you have questions, please contact Steve Mozley, Acting National EQIP Manager.

/S/

JOSE J. ACEVEDO
Deputy Chief for Programs

cc:

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